



# Deep Yellow Limited

18 October 2012

Australia Securities Exchange  
Level 8, Exchange Plaza  
2 The Esplanade  
Perth WA 6000

**Attention: Sandra Wutete**

By email: [sandra.wutete@asx.com.au](mailto:sandra.wutete@asx.com.au)

Dear Ms Wutete,

## ASX Query

Further to your correspondence dated 17 October 2012 regarding increases in the Company's share price and trading volumes over a 2 day period and in respect to the Company's response in a letter dated 17 October 2012 to an earlier price volume query from ASX. Please be advised as follows:

1. The Company does not consider the chemical assay results released in an announcement on 17 October 2012 to be material.
2. The Company received the chemical assay results via email overnight and they were picked up by management for review and reconciliation in the morning of Tuesday 16<sup>th</sup> October at approximately 8:45am. The assays were received from a South African laboratory and were in respect of recently completed drilling at the Omahola Project in Namibia.
3. N/A
4. The Company advises that the chemical assay results as released to the market in pre opening on 17 October 2012 merely confirmed results released to the market on 2 October 2012.

Further the Company notes that it has been releasing what it believes are excellent exploration results from drilling on its Namibian projects for some time and specifically for the last six to twelve months and seen very little positive market reaction. The Company would suggest that the recent activity is more likely related to the market returning from an oversold position following Fukushima and more specifically the recently announced resolution of the Company's fund raising activities.

5. The Company confirms that it is in compliance with Listing Rule 3.1.

Should you require any further clarification please do not hesitate to contact the undersigned.

Yours sincerely

**Mark Pitts**  
Company Secretary

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17 October 2012

Mr Mark Pitts  
Deep Yellow Limited  
Level 1  
320 Hay Street  
SUBIACO WA 6008

By Email: [markp@endeavourcorp.com.au](mailto:markp@endeavourcorp.com.au)

Dear Mark

**Deep Yellow Limited (the "Company")**

We refer to:

- the recent change in the price of the Company's securities from a closing price of \$0.046 on Monday 15 October 2012 to an intra-day high of \$0.095 on Wednesday, 17 October 2012 and a substantial increase in the volume traded over this period;
- the price query letter from ASX dated 16 October 2012 in which ASX queried the recent increased price and volume movement in the Company's securities;
- the Company's announcement released to ASX today at 9:03am (EST) titled "High Grade Intersections Confirmed by Assay" ("Announcement") in which the Company confirmed the equivalent uranium results released recently to the market and noting that in some cases the grades from the chemical assay are considerably higher than the recent results ("Chemical Assay Results"); and
- the Company's response to the price query letter dated 17 October 2012 ("Response to ASX") in which the Company stated, among other things, that:
  - it was not aware of any information that has not been announced that could explain the price and volume movement; and
  - the Company had received Chemical Assay Results from its drilling programme on the MS7 deposit of its Omahola Project in Namibia.

In the Response to ASX the Company stated that:

*The chemical assay results were received yesterday and released this morning. These results confirm the disclosure made earlier in the month and whilst they are exciting, they were for the most part already known to the market.*

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We wish to draw your attention to the definition of “aware” in chapter 19 of the listing rules which states that:

*“an entity becomes aware of information if a director or executive officer (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity”*

Further, we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. The exceptions to this requirement are set out in listing rule 3.1A.

Paragraph 18 of Guidance Note 8 states:

*“Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example.”*

Please note that for disclosure not to be required under listing rule 3.1, all of the exceptions under listing rule 3.1A must apply:

- “3.1A.1      *A reasonable person would not expect the information to be disclosed.*
- 3.1A.2      *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1A.3      *One or more of the following applies.*
- *It would be a breach of a law to disclose the information.*
  - *The information concerns an incomplete proposal or negotiation.*
  - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
  - *The information is generated for the internal management purposes of the entity.*
  - *The information is a trade secret.”*

Finally, we would like to draw your attention to ASX’s policy position on the concept of “confidentiality” which is detailed in paragraphs 34 to 40 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

*“‘Confidential’ in this context has the sense of ‘secret’.*  
*Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity’s securities, or by reference to the information in the media or analysts’ reports”.*

Having regard to the Response to ASX and the Announcement, the above definitions, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A:

1.      Does the Company consider the Chemical Assay Results to be material to the Company pursuant to listing rule 3.1?

2. When did the Company become aware of the Chemical Assay Results? Please include details of the relevant time and circumstances of the Company becoming aware of the Chemical Assay Results.
3. If the answer to any part of question 1 is "yes" and the Company became aware of the Chemical Assay Results prior to the release of the Announcement, please advise the following:
- 3.1. Please advise why the Company did not make an announcement at an earlier time or request a trading halt at an earlier time?
- 3.2. Why were the Chemical Assay Results not released to the market at that earlier time? Please comment specifically on the application of listing rule 3.1.
4. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Chemical Assay Results to be material.
5. Please confirm that the Company is in compliance with listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Please note the ASX reserves its right under listing rule 18.7 to release this letter and the Company's response to the market. Accordingly the Company's response should address each question separately and be in a format suitable for release to the market.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **3:00pm (WST) tomorrow, being Thursday, 18 October 2012.**

Your response should be sent to ASX by facsimile on **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

If you have any queries regarding any of the above, please contact me on +61 8 9224 0035.

Yours sincerely,

*[sent electronically without signature]*

Sandra Wutete  
**Adviser, Listings (Perth)**